

**AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES**  
*Affiliated with the AFL-CIO*  
80 F Street, N.W., Washington, D.C. 20001

**MEMORANDUM:** 3c/IRS

**DATE:** May 12, 2010

**TO:** John J. O'Grady  
Secretary-Treasurer, AFGE Council 238

**FROM:** J. David Cox, Sr.   
National Secretary-Treasurer

**SUBJECT:** IRS Tax Exemption Information

*Under the provisions of the Internal Revenue Code, Section 501(c) (5) and pursuant to the Internal Revenue ruling of October 30, 1940, it has been determined that the American Federation of Government Employees and its subordinate organizations are entitled to exemption from Federal Income Tax. (We are not exempt from sales tax.)*

*AFGE, as the parent organization, was granted exemption on October 30, 1940, as stated above, and was assigned a Group Exemption Number (Ruling Number) of 0194. Each affiliate's exemption date is the date of charter. If an affiliate disbanded at any time and then re-chartered, it would be the date of re-charter.*

*The tax law provides that every organization exempt from taxation under Section 501 shall file an annual report. A Form 990 is required to be filed by each affiliate with the Internal Revenue Service Center in your area, for as long as the exemption remains in effect. See the instruction sheet of the 990 to obtain the IRS Center address.*

*If blank forms are not mailed directly to the affiliate, they may be obtained from the IRS Center nearest you. Reports are to be filed on or before the fifteenth day of the fifth month following the close of affiliate's fiscal year. In order to obtain the Employer ID Number that is required on the form 990, you must apply for one by using an IRS form SS-4. If you have already received a number, please use it on the form 990.*

*Failure or delinquency to file Form 990 may adversely affect exempt status and may result in the assessment of a penalty of \$10.00 per day for each day it is late. Please refer to instructions in the Secretary-Treasurer's Manual. Assistance may be obtained from the IRS Center nearest you.*

**NOTE: EACH LOCAL/COUNCIL IS RESPONSIBLE FOR KEEPING THE IRS DISTRICT OFFICE INFORMED WHENEVER THERE IS A CHANGE IN THE ADDRESS OF THE FINANCIAL OFFICER OR WHENEVER THERE IS A CHANGE IN THE NAME OF THE OFFICER. WHEN SUCH A CHANGE IS MADE, PLEASE NOTIFY THE IRS DISTRICT OFFICE, STATING THE NAME AND NUMBER OF THE LOCAL/COUNCIL AND THE NAME AND OFFICIAL ADDRESS OF THE NEW FINANCIAL OFFICER.**

Attachment

RECEIVED

OCT 30 1940

IT:PIT:1

337

OCT 3 1940

ACCOUNTING DEPT.

American Federation of Government Employees,  
900 F Street, N. W.,  
Washington, D. C.



Sir:

Reference is made to the evidence submitted in support of your claim to exemption for your organization and affiliated lodges under the provisions of section 101(1) of the Internal Revenue Code and the corresponding provisions of prior revenue acts.

It is the opinion of this office, based upon the evidence presented, that you and subordinate organizations under your jurisdiction, appearing on the lists submitted by your national president under date of October 14, 1940 are exempt from Federal income tax under the provisions of section 101(1) of the Internal Revenue Code and corresponding provisions of prior revenue acts.

Accordingly, it will not be necessary for your organization and the subordinate lodges under your jurisdiction to file Federal income tax returns so long as there is no change in the organization, purposes or methods of operation of your organization or such subordinate organizations.

You should furnish the Bureau annually, on the calendar year basis, lists in quadruplicate showing the names and addresses of lodges which were chartered during the calendar year and the names and addresses of any lodges which for any reason ceased to exist. Such annual lists should be accompanied by a statement sworn to by one of your principal officers as to whether or not the information heretofore submitted by you and on which this ruling is based is applicable in all respects to the new local lodges appearing on the lists, and should be forwarded so as to reach this office not later than February 15 of the following year.

Since any organization which is exempt from Federal income tax under the provisions of section 101 of the Internal Revenue Code also is exempt from the capital stock tax pursuant to the express provisions of section 1201(a)(1) of the Internal Revenue Code your organization and its subordinate lodges will not be required to file capital stock tax returns for future years so long as the exemption from Federal income tax is effective.

- 2 -

American Federation of Government Employees.

Copies of this ruling are being forwarded to the collectors of internal revenue for the districts in which you and your subordinate lodges are located.

By direction of the Commissioner.

Respectfully,

(Signed) R. T. Johnson

ACTING Deputy Commissioner.

SEP/LIE-1